

FAXED copy rec'd. @ PM on
1-21-06



FEB 01 2006

15855 Nineteen Mile Road
Clinton Township, MI 48038
www.stjoe-macomb.com

A member of
Henry Ford & Trinity Health

January 31, 2006

Brenda Rogers
Michigan Department of Community Health
CON Policy
Capital View Building
201 Townsend Street, 7th Floor
Lansing, MI 48913

RE: St. Joseph's Healthcare
Public Hearing-Written Testimony on
Michigan CON Standards for Psychiatric Beds and Services

Enclosed is the original signed copy of the written testimony presented and submitted for record at the January 31, 2006 CON Public Hearing.

If you have any questions, please feel free to call me at (586) 263-2852. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward A. Farrell'.

Edward A. Farrell
Director of Strategic Planning

Enclosure

January 30, 2006

Norma Hagenow, Chair
C/o Michigan Department of Community Health
Certificate of Need Policy Section
Capitol View Building, 201 Townsend Street
Lansing, MI 48913

Dear Ms. Hagenow,

Under revisions to the CON statute enacted as 2002 Public Act 619 (effective March 31, 2003), the CON Commission is required to review each set of CON Standards at least once every three years. Although there were some minor modifications to the Michigan CON Standards for Psychiatric Beds and Services in 2005, there was no comprehensive review.

As you are aware, the purpose of the Public Hearing is to take public comment on potential issues or concerns with existing CON Standards. Therefore, since Psychiatric Beds and Services are scheduled for review in 2006, we are taking this opportunity to address some concerns and asking for a comprehensive review of these Standards.

CON Standards are intended to balance cost, quality, and access to healthcare services and while the current set of CON Standards for Psychiatric Beds and Services does a reasonable job in achieving this, there is room for improvement. Since the Psychiatric Standards were first adopted, the environment relating to the care of the mentally ill has dramatically changed. With increasing cuts in funding, more and more healthcare providers can no longer afford to continue providing inpatient psychiatric care. As a result, an increasing number of programs have either reduced their size or closed their programs entirely leaving no other place for people requiring inpatient treatment to go other than the streets or jail. This is not only a national trend but also a trend that exists right here in Michigan.

This problem is evident which led Governor Jennifer M. Granholm to charge the Michigan Mental Health Commission (MMHC) with the tasks of identifying the most pressing issues that face Michigan's public mental health system and to develop recommendations for improvements. In the Executive Summary of the MMHC's Final Report dated October 15, 2004, Governor Granholm stated, "the mental health system in Michigan is broken", which was verified by much of the public testimony to the commission.

As an organization committed to providing adult inpatient psychiatric care, St. Joseph's Healthcare is finding it increasingly difficult to continue providing the compassionate quality care to the mentally ill in and surrounding Macomb County

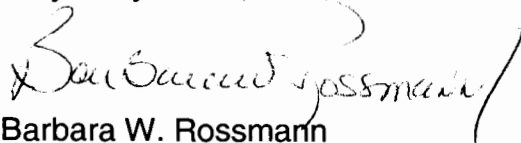
at its current facility in Mt. Clemens. The existing CON Standards for Psychiatric Beds make it impossible to continue providing the same level of care (services, licensed capacity, etc.) at a more suitable location without a reduction of the program's licensed capacity. As indicated earlier, these programs are already being reduced in size in a time when these services continue to be needed. St. Joseph's 85 Bed Adult Inpatient Psychiatric Program has operated at an occupancy level of over 90% for the past several years. To reduce the size of St. Joseph's program as a result of the current Standards in order to provide these services in a more suitable location does not appear to be in the best interest of the communities served or the intended purpose of the Standards to balance cost, quality, and access to healthcare services.

Therefore, we would ask that a comprehensive review of these Standards be undertaken by a Standard Advisory Committee with special consideration given to the following areas of concern:

1. The current bed need methodology
2. The current relocation zone definition
3. The current planning areas for both Adult and Child/Adolescent Programs
4. The introduction of a high occupancy exception
5. Utilize the MMHC Final Report as material input
6. Any other issues that other Inpatient Psychiatric Programs may feel necessary to be given special consideration.

I want to sincerely thank the CON Commission and the Department for allowing St. Joseph's Healthcare the platform and opportunity to discuss the concerns as they relate to Michigan's CON Standards for Psychiatric Beds and Services.

Very Truly Yours,

A handwritten signature in cursive script, appearing to read "Barbara W. Rossmann", written in dark ink.

Barbara W. Rossmann

President and Chief Executive Officer